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March 2, 2020

The Honorable Anne R. Kaiser, Chairman  
House  
Room 131  
House Office Building  
Annapolis, Maryland 21401

RE: HB 1628 –Sales Tax on Services – Opposed

Dear Chairman Kaiser and Members of the House Ways and Means Committee:

On behalf of our members, the Insured Retirement Institute (“IRI”) appreciates the opportunity to submit this written testimony regarding House Bill 1628. IRI’s position on this bill is “opposed.”

IRI is the leading association for the entire supply chain of insured retirement strategies, including life insurers, asset managers, and distributors such as broker-dealers, banks and marketing organizations. IRI members account for more than 95 percent of annuity assets in the U.S., include the top 10 distributors of annuities ranked by assets under management, and are represented by financial professionals serving millions of Americans. IRI champions retirement security for all through leadership in advocacy, awareness, research, and the advancement of digital solutions within a collaborative industry community.

In 2016, our members had total variable annuity sales of \$1.8 billion in Maryland, making it the 19th largest variable annuity market in the U.S. We count among our members several large financial institutions headquartered in and around Baltimore, as well as nearly 500 financial advisors across the state who are affiliated with more than 50 different broker-dealer firms.

We have reviewed the testimony being submitted to the House Ways and Means Committee today by two other organizations – the Investment Company Institute (“ICI”) and the Securities Industry and Financial Markets Association (“SIFMA”) – and we are generally in agreement with and supportive of their respective comments on House Bill 1628.

Moreover, the imposition of a sales tax on services is an entirely new subject and should therefore be thoroughly examined before adoption in any form by the Maryland General Assembly. Given the brief time remaining during this year's legislative session, coupled with the many other issues that now require the attention of our legislators, there is simply insufficient time to consider the implications of this bill.

For these reasons, we respectfully request an unfavorable report on House Bill 1628.

If you have questions about anything in this letter, or if we can be of any further assistance in connection with this bill, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jason Berkowitz', is written over the printed name and title.

Jason Berkowitz  
Chief Legal & Regulatory Affairs Officer  
Insured Retirement Institute